



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

SEP 23 2015

Bradley Kalk
Vice President of Facilities
Grand Casino Hinckley
777 Lady Luck Drive
Hinckley, Minnesota 55037

Dear Mr. Kalk:

On July 31, 2015, the U.S. Environmental Protection Agency received an application to renew the federal operating permit for Grand Casino Hinckley located at 777 Lady Luck Drive in Hinckley, Minnesota. In addition to the permit renewal application, we also received a request to revise nitrogen oxide (NO_x) emission limits for three generators at the source. For the reasons explained further in this letter, we have determined that both your part 71 permit renewal application and your request to revise NO_x emission limits are incomplete.

Incomplete Application – Part 71 Renewal

Grand Casino Hinckley currently operates under a federal Title V Permit to Operate, permit number V-ML-2711500031-2010-01, which EPA issued on December 30, 2010, pursuant to Title V of the Clean Air Act and its implementing regulations at 40 C.F.R. Part 71. The current permit expires on January 29, 2016.

Pursuant to 40 C.F.R. § 71.5(a)(2), an application can be deemed complete only if it provides all information listed at 40 C.F.R. § 71.5(c), and all information within the application is sufficient to evaluate the source and its application to determine all applicable requirements. Additionally, the applicant must have submitted all fees owed under the fee schedule established in 40 C.F.R. § 71.9(b). Upon review of your application, we have determined that your application is incomplete since your application is missing some of these elements.

Incomplete Application – NO_x Emission Limit Significant Modification

In addition to your request to renew the operating permit, you also requested a significant modification to increase the NO_x emission limits for three engines located at the source. The NO_x emission limits are prevention of significant deterioration (PSD) best available control technology (BACT) emission limits established in PSD permit PSD-ML-R50005-03-01, which was later revised at PSD-ML-2711500031-2010-02. We are not able to process your request using the significant modification procedures at 40 C.F.R. § 71.7(e)(3) since the PSD permit, as

the underlying applicable requirement for the NOx emission limits, must first be revised. In order to revise the PSD permit, we require additional information necessary to determine whether revising the limits is appropriate and whether the revised limits would meet all applicable PSD requirements at 40 C.F.R. § 52.21.

EPA's policy regarding BACT revisions is explained in EPA's November 19, 1987, memorandum *Request for Determination on Best Available Control Technology (BACT) Issues -- Ogden Martin Tulsa Municipal Waste Incinerator Facility*¹ (Ogden memo). EPA's BACT revision policy is also discussed in EPA's December 14, 2012, petition order *In the Matter of Noranda Alumina, LLC Order Denying Petition for Objection to Permit, Order on Petition Number VI-2011-04* (Noranda petition order).²

The Ogden memo states that a source should be required to investigate and report to the permitting agency all available options to reduce emissions to a lower (if not the permitted) level. If compliance with the permit can be reasonably achieved, then the source should be required to take steps to reduce emissions. If sufficient emission reductions down to the permitted level cannot be reasonably achieved, then a reevaluation of the permit may be warranted. In the process of reevaluating BACT, current BACT technology and requirements must be considered. If a revision to the permit is determined to be appropriate, the revision must also address all other PSD requirements which may be affected by an allowable increase in permitted emissions.³ In general, a revised PSD permit should be supported by a record showing that the permit, as revised, meets all applicable PSD permitting requirements in the same manner as the previously issued permit.⁴

Request for Additional Information

Pursuant to 40 C.F.R. § 71.5(b), you must submit to EPA the information detailed in Appendix A, enclosed, within 30 days of receipt of this letter. Note that, pursuant to 40 C.F.R. § 71.7(c)(ii), if your permit expires before we are able to determine that your application is complete, then the source's right to operate is terminated and may be subject to enforcement action. We also request that you provide the additional information necessary to process your revised NOx emission limit request as detailed in Appendix B, enclosed, within 30 days of receipt of this letter unless otherwise specified in our request.

Please send all requested information to the following address:

Genevieve Damico
Chief, Air Permits Section
U.S. EPA, Region 5
77 West Jackson Boulevard (AR-18J)
Chicago, Illinois 60604

¹ The Ogden memo is available online at <http://www.epa.gov/region07/air/nsr/nsrmemos/ogden.pdf>.

² The Noranda petition order is available online at http://www.epa.gov/region07/air/title5/petitiondb/petitions/noranda_response2011.pdf.

³ Ogden memo at 2-3.

⁴ Noranda petition order at 7.

We look forward to working with you to address the required missing information. If you have any questions regarding our determination or our request for additional information, please contact Michael Langman, of my staff, at (312) 886-6867.

Sincerely,

A handwritten signature in cursive script that reads "Genevieve Damico". The signature is written in dark ink and is positioned above the printed name.

Genevieve Damico

Chief

Air Permits Section

Enclosures

Appendix A
Request for Additional Information – Part 71 Renewal

Pursuant to 40 C.F.R. §71.5(b), you must supplement your part 71 renewal application by submitting the following additional information within 30 days of receipt of this letter.

- 1.) For each applicable requirements with which the source is in compliance, provide a statement that the source will continue to comply with each requirement, as required by 40 C.F.R. § 71.5(c)(8)(ii)(A).
- 2.) For requirements for which the source is not in compliance at the time of permit issuance, provide a narrative description of how the source will achieve compliance with such requirements, as required by 40 C.F.R. § 71.5(c)(8)(ii)(C).
- 3.) Provide a compliance schedule, as required by 40 C.F.R. § 71.5(c)(8)(iii).
 - a. For each applicable requirement, include in the compliance schedule a statement that the source will continue to comply with each applicable requirement as required by 40 C.F.R. § 71.5(c)(8)(iii)(A).
 - b. Provide a schedule of compliance for each applicable requirement that you determine the source will not be in compliance with at the time of permit issuance, as required by 40 C.F.R. § 71.5(c)(8)(iii)(C). Note that the schedule of compliance should also contain a schedule for submission of certified progress reports as required by 40 C.F.R. § 71.5(c)(8)(iv).
- 4.) Provide a statement indicating the source's compliance status with any applicable enhanced monitoring and compliance certification requirements, as required by 40 C.F.R. § 71.5(c)(9)(iv).
- 5.) Pursuant to 40 C.F.R. § 71.5(d), any supplemental information that you submit must be certified by a responsible official of truth, accuracy, and completeness.

Pursuant to 40 C.F.R. § 71.7(c)(ii), if your permit expires before we are able to determine that your application is complete, then the source's right to operate is terminated and may be subject to enforcement action.

Appendix B
Request for Additional Information – NOx Emission Limit Revision

EPA requests that you provide the following additional information within 30 days of receipt of this letter unless otherwise specified in our request.

- 1.) We request additional information regarding the actions the source has taken to investigate the available options to meet the existing NOx BACT limit for each generator, as explained in the Ogden memo. Please provide the information listed below.
 - a. A description of any actions taken to identify and address the cause of exceeding the NOx BACT limit, and whether each action resulted in reduced NOx emissions.
 - b. Additional details regarding the discussions that you had with the manufacturer, including a description of the issues discussed with the manufacturer, any recommendations made by the manufacturer, and any notes, transcripts, or other recommendations made as a result of the discussions.
 - c. Any additional information to support that the source investigated any other available emissions reductions, including the use of any add-on controls that could be used to meet the existing NOx BACT limit.
- 2.) Page 6 of the application states that a switch from low sulfur diesel to ultra-low sulfur diesel (ULSD) may have resulted in increased NOx emissions from each generator. Please provide additional information supporting your claim that switching to ULSD may have resulted in increased NOx emissions.
- 3.) As explained in both the Ogden memo and the Noranda petition order, if a BACT revision is determined to be appropriate, the permit should be supported by a record showing that the permit as revised meets all applicable PSD permitting requirements in the same manner as the previously issued permit. Accordingly, we request updated analyses required by 40 C.F.R. § 52.21, as listed below, for the requested NOx emission limits. Alternatively, if you are unable to provide any of the following analyses within 30 days of receipt of this letter, then we request that you provide to EPA with a proposed submission schedule for each required analysis within this timeframe.
 - a. An updated control technology review and BACT analysis as required by 40 C.F.R. § 52.21(j).
 - b. An updated source impact analysis and air quality analysis, as required by 40 C.F.R. § 52.21(k) and (m).
 - c. An updated additional impact analysis, as required by 40 C.F.R. § 52.21(o).
 - d. An updated Class I impacts analysis, as required by 40 C.F.R. § 52.21(p).